

# Capital Security Cost-Sharing Program For U. S. Government Agencies Overseas



*U.S. Embassy - Kampala, Uganda*

*Overseas Buildings Operations  
U. S. Department of State*



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[www.state.gov/obo/c11275.htm](http://www.state.gov/obo/c11275.htm)



# ***The Capital Security Cost-Sharing Program***

This presentation covers --

- A. New facilities needs
- B. The Capital Security Cost-Sharing Program
- C. Cost-Sharing principles and components
- D. Calculating cost-sharing charges
- E. Charges for FY05, FY06, and FY07
- F. Agency participation in facilities planning
- G. Summary and contacts



## ***The Need for New Facilities: Secure, Safe, Functional Workplaces***

- To protect U.S. Government employees in case of attack
  - Over 62,000 employees from 30 agencies work under Chief of Mission authority at 251 embassies and consulates
  - Most embassies and consulates do not meet current security standards
- To provide U.S. Government employees safe, functional working space
  - Most embassies and consulates are overcrowded, antiquated, and do not meet current safety or functional standards.

A. 1





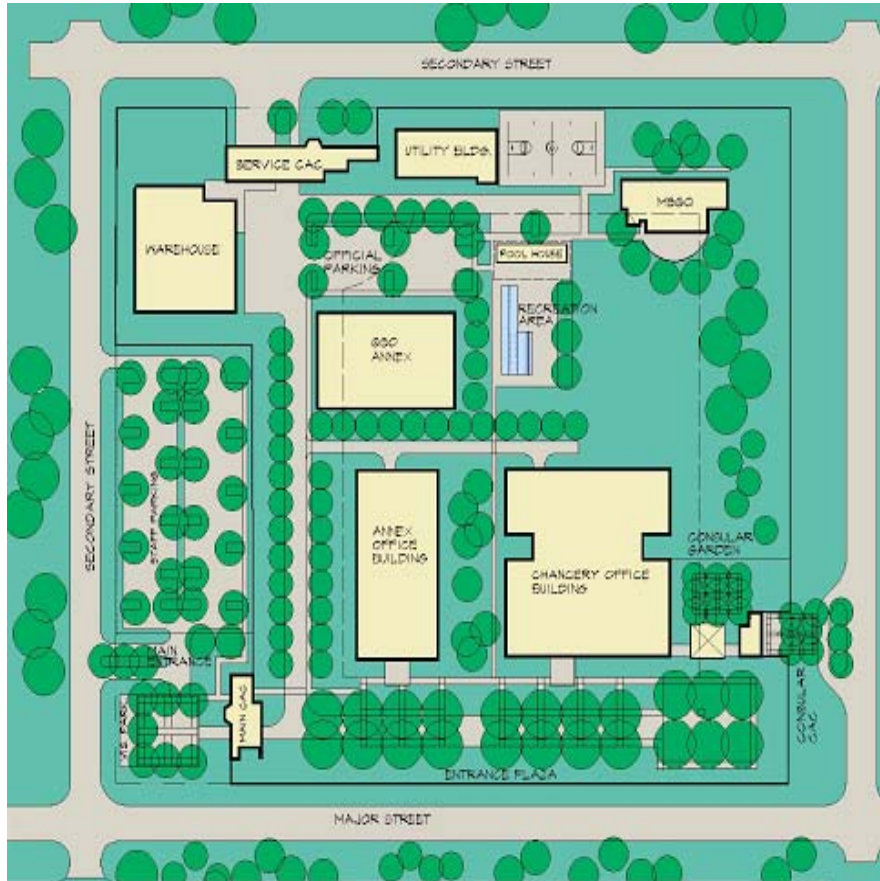
## ***The NEC Building Program***

- The scope of the U.S. Government's functional requirement for secure, safe, functional New Embassy (and consulate) Compounds (NECs) is
  - a \$17.5 billion capital construction program
  - replacement of 150 NECs to meet security needs
  - funding over 14 years ( FY05 - FY18 )
- Congress appropriated the necessary funding for the first year in the FY05 Consolidated Appropriations Act, and the President has requested full funding for FY06 in his FY06 Budget.
- OBO intends to obligate funds for 10 NECs in FY05, leaving 140 NECs to be funded in FY06-FY18.

A. 2



## Concept: 21<sup>st</sup> Century NECs



- Chancery building
- General Services building
- Marine Security Guard Quarters
- Utility systems & parking
- Recreation center
- Perimeter Security System
  - Compound Access Control (CAC) system
  - Personnel Access Control (PAC) system
  - Nine foot anti-climb/anti-ram wall with lights
  - Surveillance equipment





# ***Reality: Sofia, Bulgaria NEC***



**Opened 2004**

A.4





## ***The Cost-Sharing Program***

- The purpose of the Capital Security Cost-Sharing (CSCS) Program is to fund the NEC Construction Program through contributions from all overseas agencies (including the State Department and ICASS) in proportion to their overseas presence.
- After a 5-year phase-in period (FY05-FY09), the CSCS Program will generate \$1.4 billion annually, through FY18.
- The funds allocated to the CSCS Program will be used exclusively for NEC construction - not for maintenance, renovation, or other security enhancement projects.

A.5



# ***Impetus for the Administration's Cost-Sharing Program***

- The Overseas Presence Advisory Panel (OPAP) Report, 1999, stresses universal rightsizing & all agencies sharing the capital costs for new facilities.
- The Secure Embassy Construction & Counterterrorism Act, 1999, mandates collocation of staff under COM authority in NECs.
- President's Management Agenda, 2002, (p.62-63) calls for
  - establishing mechanisms to link agency policies on overseas presence.
  - integrating rightsizing into workforce plans.
  - linking personnel assignment to construction planning.

B. 1







# ***Legal Authority for the Cost-Sharing Program***

## **(e) CAPITAL SECURITY COST SHARING.—**

**(1) AUTHORITY.—**Notwithstanding any other provision of law, all agencies with personnel overseas subject to chief of mission authority . . . shall participate and provide funding in advance for their share of costs of providing new, safe, secure United States diplomatic facilities, without offsets, on the basis of the total overseas presence of each agency as determined annually by the Secretary of State in consultation with such agency. Amounts advanced by such agencies to the Department of State shall be credited to the Embassy Security, Construction and Maintenance account, and remain available until expended.

**(2) IMPLEMENTATION.—**Implementation of this subsection shall be carried out in a manner that encourages right-sizing of each agency's overseas presence.

**(3) EXCLUSION.—**For purposes of this subsection 'agency' does not include the Marine Security Guard.

*Section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999, added by the FY2005 Consolidated Appropriations Act, Division B, P.L. 108-447, December 8, 2004*

B. 2





## ***The Cost-Sharing Law in English***

- All agencies with personnel overseas subject to chief of mission authority shall participate and provide funding in advance for their share of costs of providing new, safe, secure diplomatic facilities
  - on the basis of the total overseas presence of each agency
  - as determined annually by the Secretary of State in consultation with such agency.
- Implementation shall be carried out in a manner that encourages right-sizing of each agency's overseas presence.
- New diplomatic facilities may not include accommodations for an agency that has not provided the full amount of funding required by this program.



# ***CSCS Program Principles***

- Each agency contributes a fair share to fund an accelerated construction program for secure, safe, functional workspace.
- The CSCS Program provides a steady and predictable source of capital.
- The Program operates at the Department HQ level with minimal staff. Posts, agency bureaus, and ICASS are not asked to transfer funds.
- The charges are per capita and world-wide; every position under Chief of Mission authority is counted.
- This method of allocating charges creates a new incentive for agencies to rightsize every one of their overseas positions to support the President's Management Agenda.

C. 1





# ***Components of the CSCS Charges***

1. Current Authorized Positions Charge
2. NEC Projected Staff Growth Charge  
(formerly the “NEC Staff Adjustment” charge)
3. ICASS Pass-through Charge
4. Rent Credit

*(Each of these components is described below.)*

C. 2





# ***Calculating the CSCS Charges***

## ***1. Current Overseas Positions Charge***

- This charge is per capita, worldwide, for four types of positions: Chief of Mission, Controlled Access Area (CAA), non-CAA, and non-office.
- Every authorized cost-sharing position that will be located in a NEC is counted, wherever currently located: direct-hire Americans, contractors, Locally Employed Staff (LES), and continuing part-time and temporary duty (TDY) positions.
- State Department collects CSCS position data from surveys of post, data for planned NECs, ICASS data, and other State data. It consults in detail with each agency headquarters for verification.
- Peace Corps staff, Marine Security Guards, and positions permanently stationed in host government facilities or in research or technical facilities are not counted. D. 1





# *Calculating the CSCS Charges*

## *Types of Overseas Positions*

- The Program charges are different for the four types of positions:
  - Chief of Mission (COM) - pays more because it occupies larger CAA space than other offices [Only State Department pays this charge.]
  - Controlled Access Area (CAA) - pays more than non-CAA office positions because the space is significantly more expensive to build
  - Non-CAA office - the “standard” office position
  - Non-office – uses less space per position and is charged less than non-CAA office positions





# FY06 Overseas Positions By Agency

(FY04 data, used for the FY06 charges)

AGENCY	COM	CAA	NON-CAA	NON-OFFICE	TOTAL
AGRICULTURE DEPARTMENT	0	497	28		525
AMERICAN BATTLE MONUMENTS COM.					
BROADCAST BOARD OF GOVERNORS	0	2	0		2
COMMERCE DEPARTMENT	0	1,001	69		1,070
DEFENSE DEPARTMENT	1,347	817	281		2,445
DEFENSE SECURITY COOPERATION AG.	342	727	76		1,145
ENERGY DEPARTMENT	1	27	0		28
ENVIRONMENTAL PROTECTION AGENCY	0	3	0		3
EXPORT-IMPORT BANK	0	0	0		0
FOREIGN BROADCAST INFO. SERVICE	1	101	7		109
GENERAL SERVICES ADMINISTRATION	0	5	0		5
HEALTH & HUMAN SERVICES	0	131	76		207
HOMELAND SECURITY	142	561	45		748
ICASS	281	11,349	13,202		24,832
INTERIOR DEPARTMENT	0	3	0		3
JUSTICE DEPARTMENT	786	383	51		1,220
LIBRARY OF CONGRESS	0	193	9		202
NASA	1	15	0		16
NATIONAL SCIENCE FOUNDATION	0	5	0		5
NUCLEAR REGULATORY COMMISSION	0	1	0		1
OVERSEAS PRIVATE INVESTMENT CORP.	0	0	0		0
PEACE CORPS					
SOCIAL SECURITY ADMINISTRATION	0	24	0		24
STATE DEPARTMENT	251	5,627	10,679	6,930	23,487
TRANSPORTATION DEPARTMENT	0	94	0		94
TREASURY DEPARTMENT	18	58	1		77
US TRADE & DEVELOPMENT AGENCY	1	1	0		2
US TRADE REPRESENTATIVE	0	21	1		22
USAID	3	5,286	1,105		6,394
VETERANS AFFAIRS DEPARTMENT	0	115	25		140
<b>TOTAL POSITIONS</b>	<b>251</b>	<b>8,550</b>	<b>32,099</b>	<b>21,906</b>	<b>62,806</b>



# *Calculating the CSCS Charges*

## *Deriving Per Capita Charges from NEC Costs*

<u>Total needed</u>	<u>Share by type*</u>	<u>\$ charged to this type</u>	<u># of Positions**</u>	<u>Charge per Capita</u>
	3.8% - COM	\$ 52,467,451	251	\$ 209,034
\$1.4 billion	33.2% - CAA	\$ 465,052,406	7,840	\$ 59,318
	56.2% - Non-CAA	\$ 786,814,277	27,957	\$ 28,144
	6.8% - Non-Office	\$ 95,665,866	19,366	\$ 4,940

\* % of construction cost at a typical NEC

\*\* based on 2002 survey data; current data yields similar results

- To ease budget planning and encourage rightsizing, the per capita charges are fixed for FY05-07.



# ***Calculating the CSCS Charges***

## ***2. NEC Projected Staff Growth Charge***

- At posts where a NEC has already been budgeted, CSCS charges are applied to projected staff increases, in addition to current authorized positions.
- They begin the first fiscal year after the staff projection is used for budgeting and end when the NEC opens.
- GAO reported in 2003 that NEC staffing has not been projected in a disciplined, realistic manner. In response, the State Department adopted procedures for projecting and rightsizing staffing, including agency HQ clearance.
- Agencies' staffing projections are used to determine NEC costs in the President's Budget and cannot be changed. This charge encourages realistic projections at the time the NEC budget is prepared for Congress, avoiding mis-sized NECs.

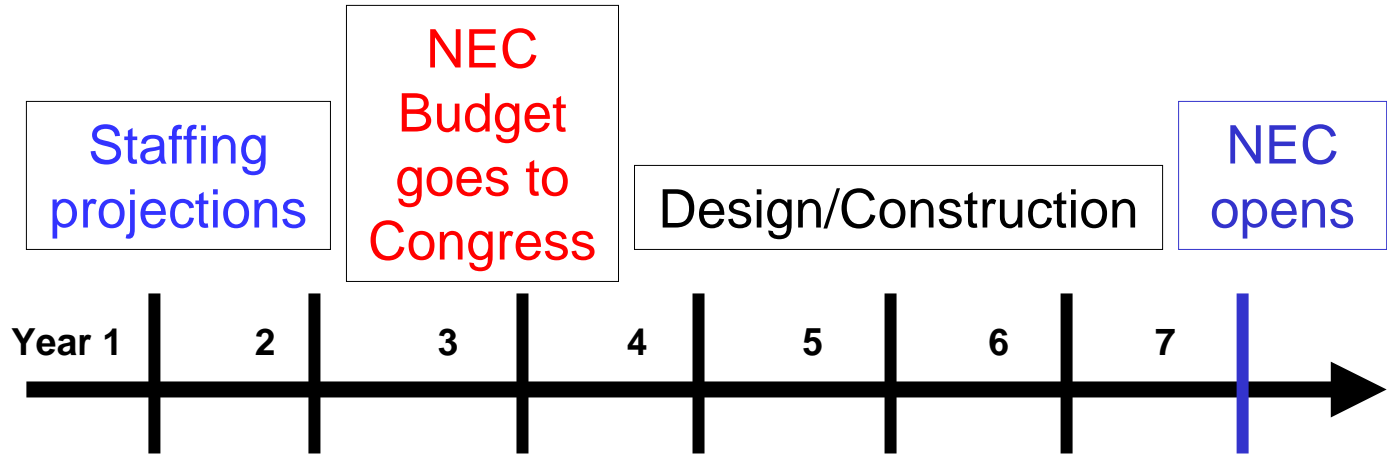
D. 5





# **NEC Staff Growth Adjustment Charge**

## **Example: Agency A at NEC Post X**



Actual staff	19	20	20	18	32	24	21
Projected	-	9	10	12	0	6	-
Total	19	29	30	30	32	30	21

- OBO budgets and will build 30 desks for Agency A, even if its staffing or staffing plans change after year 3.
- CSCS charges for those 30 desks during the construction period.
- Charges after the NEC opens are based on actual positions.

D.6





# ***Calculating the CSCS Charges***

## ***3. ICASS Pass-Through Charge***

- Many overseas positions under COM authority are funded through ICASS to provide administrative support to personnel from all agencies.
- The CSCS Program treats ICASS as a separate agency so it will have the same incentive as other agencies to rightsize its operations.
- ICASS has no independent funding; all of its costs are passed through to its member agencies.
- ICASS has decided to treat its CSCS charges as an overhead cost to be passed through to member agencies on the basis of their overall use of ICASS services.



# ICASS Pass-Through Charges

**[ICASS allocates its CSCS charges in proportion to ICASS services used]**

AGENCY	FY04 ICASS SERVICE CHARGES (\$000)	% OF TOTAL ICASS SERVICES USED	FY06 ICASS CSCS CHARGES (\$000)
State Department	\$ 785,863,645.05	73.27%	\$ 109,396,527.05
Department of Defense	\$ 110,937,017.84	10.34%	\$ 15,443,040.98
Agency for International Development	\$ 46,833,470.72	4.37%	\$ 6,519,475.84
Department of Justice	\$ 31,765,235.80	2.96%	\$ 4,421,894.94
Department of Commerce	\$ 24,115,684.97	2.25%	\$ 3,357,035.54
Department of Homeland Security	\$ 21,607,513.74	2.01%	\$ 3,007,884.35
Department of Agriculture	\$ 14,464,829.45	1.35%	\$ 2,013,583.55
Department of Health and Human Services	\$ 11,148,279.07	1.04%	\$ 1,551,901.56
Peace Corps	\$ 5,574,322.64	0.52%	\$ 775,976.27
Broadcasting Board of Governors	\$ 3,333,838.20	0.31%	\$ 464,088.55
Department of the Treasury	\$ 3,205,267.93	0.30%	\$ 446,190.87
Department of Transportation	\$ 2,460,439.36	0.23%	\$ 342,506.65
Foreign Broadcast Information Service	\$ 2,293,850.38	0.21%	\$ 319,316.55
Social Security Administration	\$ 2,110,314.30	0.20%	\$ 293,767.32
Library of Congress	\$ 1,373,368.16	0.13%	\$ 191,180.38
US Trade Representative	\$ 1,349,945.06	0.13%	\$ 187,919.75
Department of Energy	\$ 1,052,786.18	0.10%	\$ 146,553.61
NASA	\$ 721,517.70	0.07%	\$ 100,439.22
Department of Veteran Affairs	\$ 665,917.09	0.06%	\$ 92,699.31
American Battle Monuments Commission	\$ 520,538.83	0.05%	\$ 72,461.86
Environmental Protection Agency	\$ 300,672.95	0.03%	\$ 41,855.32
Department of the Interior	\$ 208,975.12	0.02%	\$ 29,090.48
National Science Foundation	\$ 168,929.02	0.02%	\$ 23,515.85
US Trade and Development Agency	\$ 128,347.32	0.01%	\$ 17,866.65
Nuclear Regulatory Commission	\$ 115,438.74	0.01%	\$ 16,069.71
Export-Import Bank of US	\$ 42,570.89	0.00%	\$ 5,926.10
General Services Administration	\$ 11,128.68	0.00%	\$ 1,549.17
<b>TOTAL CSCS CHARGES TO PASS THROUGH</b>		<b>\$ 149,297,977</b>	



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# ***Calculating the CSCS Charges***

## ***4. Rent Credit***

- Many embassies and consulates are inadequate to accommodate all agencies' staffs. That shortfall is often remedied through short-term leases of non-CAA space, and the rent is allocated to the user agencies through ICASS.
- The CSCS Program provides agencies a rent credit to compensate for the "double payment" that would occur if agencies paid for existing space through ICASS, and then again for new space through the CSCS program.
- State and ICASS have generated data on each agency's current rent, including rent for ICASS positions, and those amounts are being credited against the agency's CSCS charges.



# Five Year CSCS Phase-In

## Projected CSCS and other funds for NEC construction

[assumes same staffing in FY07; new per capita \$ in FY08]

	FY 04	FY 05 (20%)	FY 06 (40%)	FY 07 (60%)	FY 08 (80%)	FY 09 (100%)
(1) Total DOS	761,400	785,320	810,240	835,160	887,280	920,000
(2) DOS Capital	641,400	625,134	416,624	233,474	151,280	-
(3) DOS CSCS	120,000	160,186	393,616	601,686	736,000	920,000
(4) Others' CSCS	<u>0</u>	<u>88,916</u>	<u>203,101</u>	<u>319,967</u>	<u>384,000</u>	<u>480,000</u>
(1+4) NEC Funds	761,400	874,236	1,013,341	1,136,365	1,271,280	1,400,000
(3+4) CSCS Funds	120,000	249,102	596,718	883,875	1,120,200	1,400,000

- Straight-line phase-in (20%, 40%, 60%, 80%, 100%) allows incremental budget adjustments and a smooth construction ramp-up.
- After phase-in, State Department still provides about 66% of the NEC construction funds, all through CSCS.

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# ***FY05 CSCS Charges By Agency (actual)***

<b>AGENCY</b>	<b>Current</b>	<b>NEC</b>	<b>ICASS</b>	<b>Rent Credit</b>	<b>Total</b>
AGRICULTURE DEPARTMENT	2,825,277	149,318	929,027	(3,388,053)	515,569
AMERICAN BATTLE MONUMENTS COM.					
BROADCAST BOARD OF GOVERNORS	11,258	-	291,727	-	302,985
COMMERCE DEPARTMENT	5,784,189	225,459	1,933,889	(4,848,331)	3,095,206
DEFENSE DEPARTMENT	25,995,103	867,758	7,196,690	-	34,059,551
DEFENSE SECURITY COOPERATION AG.	2,960,840	-	1,190,047	(642,096)	3,508,791
ENERGY DEPARTMENT	164,453	-	84,295	-	248,748
ENVIRONMENTAL PROTECTION AGENCY	16,887	-	19,869	-	36,756
EXPORT-IMPORT BANK	5,629	-	2,707	-	8,336
FOREIGN BROADCAST INFO. SERVICE	587,309	-	181,120	-	768,429
GENERAL SERVICES ADMINISTRATION	28,145	5,629	1,010	-	34,784
HEALTH & HUMAN SERVICES	883,223	-	767,836	(678,135)	972,924
HOMELAND SECURITY	4,887,017	584,492	2,143,147	-	7,614,656
INTERIOR DEPARTMENT	33,774	-	28,428	(23,917)	38,285
JUSTICE DEPARTMENT	11,513,426	437,914	2,497,778	-	14,449,118
LIBRARY OF CONGRESS	1,095,289	-	104,849	-	1,200,138
NASA	174,499	-	70,263	-	244,762
NATIONAL SCIENCE FOUNDATION	33,774	-	14,054	-	47,828
NUCLEAR REGULATORY COMMISSION	5,629	-	7,716	(42,331)	-
OVERSEA PRIVATE INVESTMENT CORP.	11,864	-	4,178	-	16,042
PEACE CORPS					
SOCIAL SECURITY ADMINISTRATION	135,096	-	151,981	-	287,077
STATE DEPARTMENT	140,324,882	2,671,432	60,317,021	(43,127,035)	160,186,300
TRANSPORTATION DEPARTMENT	529,126	-	231,400	(603,200)	157,326
TREASURY DEPARTMENT	504,583	150,978	249,199	-	904,760
US TRADE & DEVELOPMENT AGENCY	11,864	-	11,234	-	23,098
US TRADE REPRESENTATIVE	119,197	-	93,957	-	213,154
USAID	31,023,408	709,553	3,788,378	(15,813,570)	19,708,757
VETERANS AFFAIRS DEPARTMENT	401,843	-	56,639	-	458,482
<b>TOTAL FY05</b>	<b>230,067,584</b>	<b>5,802,533</b>	<b>82,368,439</b>	<b>(69,166,668)</b>	<b>249,101,862</b>

***Total for agencies other than State Department***

***88,915,562***



# ***FY06 CSCS Charges By Agency (proposed budget)***

<b>AGENCY</b>	<b>Current</b>	<b>NEC</b>	<b>ICASS</b>	<b>Rent Credit</b>	<b>Total</b>
AGRICULTURE DEPARTMENT	5,650,554	641,539	2,013,584	(4,391,002)	3,914,675
AMERICAN BATTLE MONUMENTS COM.	472,836	-	72,462	(2,621)	542,677
BROADCAST BOARD OF GOVERNORS	22,516	103,298	464,089	(14,787)	575,116
COMMERCE DEPARTMENT	11,405,602	833,690	3,357,036	(1,488,574)	14,107,754
DEFENSE DEPARTMENT	51,983,729	4,764,685	13,278,235	(1,711,064)	68,315,585
DEFENSE SECURITY COOPERATION AG.	5,897,867	136,905	2,075,487	(385,300)	7,724,959
ENERGY DEPARTMENT	327,693	-	146,554	(254,772)	219,475
ENVIRONMENTAL PROTECTION AGENCY	33,774	-	41,855	(176,627)	-
EXPORT-IMPORT BANK	-	-	5,926	-	5,926
FOREIGN BROADCAST INFO. SERVICE	1,174,617	300,612	319,317	(6,180)	1,788,366
GENERAL SERVICES ADMINISTRATION	56,290	11,258	1,549	-	69,097
HEALTH & HUMAN SERVICES	1,624,974	1,130,614	1,551,902	(336,493)	3,970,997
HOMELAND SECURITY	9,773,892	1,803,803	3,007,884	(940,018)	13,645,561
INTERIOR DEPARTMENT	33,774	-	29,090	(25,080)	37,784
JUSTICE DEPARTMENT	23,062,012	2,702,115	4,421,895	(2,247,950)	27,938,072
LIBRARY OF CONGRESS	2,190,578	22,516	191,180	(3,665)	2,400,609
NASA	192,597	-	100,439	(1,181)	291,855
NATIONAL SCIENCE FOUNDATION	56,290	-	23,516	(52)	79,754
NUCLEAR REGULATORY COMMISSION	11,258	-	16,070	(55,753)	-
OVERSEAS PRIVATE INVESTMENT CORP.	-	-	-	-	-
PEACE CORPS					
SOCIAL SECURITY ADMINISTRATION	270,192	-	293,767	(8,091)	555,868
STATE DEPARTMENT	288,416,805	18,325,626	109,396,527	(22,522,637)	393,616,321
TRANSPORTATION DEPARTMENT	1,058,252	56,290	342,507	(692,836)	764,213
TREASURY DEPARTMENT	1,082,026	224,674	446,191	(264,279)	1,488,612
US TRADE & DEVELOPMENT AGENCY	34,985	-	17,867	(919)	51,933
US TRADE REPRESENTATIVE	238,394	-	187,920	-	426,314
USAID	61,764,449	2,480,218	6,519,476	(18,016,287)	52,749,831
VETERANS AFFAIRS DEPARTMENT	<u>1,344,070</u>	-	<u>92,699</u>	<u>(382)</u>	<u>1,436,387</u>
<b>TOTAL FY06</b>	<b>468,180,026</b>	<b>33,537,843</b>	<b>148,415,024</b>	<b>(53,546,550)</b>	<b>596,717,741</b>

***Total for agencies other than State Department***

***203,101,420***





# FY07 CSCS Charges By Agency (Estimate)

AGENCY	Current	NEC	ICASS	Rent Credit	Total
AGRICULTURE DEPARTMENT	8,475,831	962,309	3,020,376	(4,391,002)	8,067,514
AMERICAN BATTLE MONUMENTS COM.	709,254	-	108,693	(2,621)	815,326
BROADCAST BOARD OF GOVERNORS	33,774	154,947	696,134	(14,787)	870,068
COMMERCE DEPARTMENT	17,108,403	1,250,535	5,035,554	(1,488,574)	21,905,918
DEFENSE DEPARTMENT	77,975,594	7,147,028	19,917,353	(1,711,064)	103,328,910
DEFENSE SECURITY COOPERATION AG.	8,846,801	205,358	3,113,231	(385,300)	11,780,089
ENERGY DEPARTMENT	491,540	-	219,831	(254,772)	456,599
ENVIRONMENTAL PROTECTION AGENCY	50,661	-	62,783	(176,627)	(63,184)
EXPORT-IMPORT BANK	-	-	8,889	-	8,889
FOREIGN BROADCAST INFO. SERVICE	1,761,926	450,918	478,976	(6,180)	2,685,639
GENERAL SERVICES ADMINISTRATION	84,435	16,887	2,324	-	103,646
HEALTH & HUMAN SERVICES	2,437,461	1,695,921	2,327,853	(336,493)	6,124,742
HOMELAND SECURITY	14,660,838	2,705,705	4,511,826	(940,018)	20,938,351
INTERIOR DEPARTMENT	50,661	-	43,635	(25,080)	69,216
JUSTICE DEPARTMENT	34,593,018	4,053,173	6,632,843	(2,247,950)	43,031,083
LIBRARY OF CONGRESS	3,285,867	33,774	286,770	(3,665)	3,602,746
NASA	288,896	-	150,659	(1,181)	438,373
NATIONAL SCIENCE FOUNDATION	84,435	-	35,274	(52)	119,657
NUCLEAR REGULATORY COMMISSION	16,887	-	24,105	(55,753)	(14,761)
OVERSEAS PRIVATE INVESTMENT CORP.	-	-	-	-	-
PEACE CORPS	-	-	-	-	-
SOCIAL SECURITY ADMINISTRATION	405,288	-	440,651	(8,091)	837,848
STATE DEPARTMENT	432,625,208	27,488,439	164,094,791	(22,522,637)	601,685,800
TRANSPORTATION DEPARTMENT	1,587,378	84,435	513,761	(692,836)	1,492,738
TREASURY DEPARTMENT	1,623,039	337,011	669,287	(264,279)	2,365,058
US TRADE & DEVELOPMENT AGENCY	52,478	-	26,801	(919)	78,359
US TRADE REPRESENTATIVE	357,591	-	281,880	-	639,471
USAID	92,646,674	3,720,327	9,779,214	(18,016,287)	88,129,928
VETERANS AFFAIRS DEPARTMENT	2,016,105	-	139,049	(382)	2,154,772
TOTAL FY07	702,270,039	50,306,765	222,622,536	(53,546,550)	921,652,790

**Total for agencies other than State Department**

**319,966,990**



# ***Determining Each Agency's Cost-Sharing Charges***

- The Billing Process:
  - Each agency's share is initially calculated by the State Department as described above.
  - Agencies verify position lists and document rent credits.
  - Draft invoices are distributed to agencies before their budget submissions to OMB to facilitate their own budgeting.
- Challenge Procedures:
  - State Department carefully evaluates any challenges to calculations.
  - OMB participates when a dispute needs resolution.





# **NEC Planning:**

## ***Determining Priorities Among Posts***

- ***Summer:*** Agencies recommend posts for addition to the ***Priority List of Diplomatic Facilities for Replacement*** to State's Regional Bureaus.
- ***September:*** Regional Bureaus consider agency input and DS vulnerability ranking and recommend posts to add to the ***Top 80 List***.
- ***February:*** The Secretary approves the ***Top 80 List*** and forwards it to the Hill. Congress restricts Security Capital funding to posts on this list.
- ***April:*** Regional Bureaus and OBO prioritize posts on the ***Top 80 List*** based on host government relations, site availability, etc. and place them in the ***Long-Range Overseas Buildings Plan (LROBP)***.

US Embassy Sanaa, Yemen

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## ***NEC Planning: Determining NEC Size (Staffing Projections)***

- ***September:*** OBO briefs agencies in Washington on the staffing projection process.
- ***October – March:*** LROBP Posts develop 5-7 year staffing projections for all agencies, including agencies not currently at post, using Interagency Staffing Projection Committees and DOS published guidelines.
  - Posts already in the LROBP update their staffing projections.
  - Posts newly added to LROBP develop new projections using an OBO-supplied template.
  - Agencies have explicit input into post staffing projections and should consult with their HQ on future staffing plans.



# **NEC Planning:**

## **Determining NEC Size (Staffing Projections)**

*(continued)*

- **January – March:** Regional Bureaus review staffing projections received from Posts, taking account of rightsizing and regionalization goals.
  - Regional Bureaus confirm staffing and rightsizing conclusions with agency HQ.
- **February – March:** Rightsizing Office, in Office of Under Secretary for Management (M/R), reviews Regional Bureaus' recommended staffing. M/R works with the Bureaus, Posts, and agency HQs to resolve differences.





# ***SUMMARY***

## ***Benefits of the CSCS Program***

- It provides steady funding for an accelerated \$17.5 billion Capital Security Construction Program -- funding 150 secure New Embassy Compounds in 14 years, reducing the time without CSCS by 12 years.
- It causes all agencies to
  - equitably help fund overseas facilities.
  - rightsize their overseas personnel in light of the full cost of stationing personnel overseas.
- It allows Congress, agencies, and the public to see the capital cost of stationing personnel overseas.



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